

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Representative Kathleen Sebelius at
Chairperson

1:30 ~~xxx~~ p.m. on Wednesday, January 15, 1991 in room 526-S of the Capitol.

All members were present except:

Representative Joan Wagon - Excused
Representative Clyde Graeber - Excused
Representative Joan Hamilton - Excused
Committee staff present:

Connie Craig, Committee Secretary
Lynne Holt, Kansas Legislative Research
Mary Galligan, Kansas Legislative Research
Mary Torrence, Office of the Revisor

Conferees appearing before the committee:

Ralph Decker, Director, Kansas Lottery

Representative Sebelius called the meeting to order, and welcomed everyone back.

Representative Rezac appeared before the Committee to request introduction of a bill that would allow farm wineries three outlets over the current provision for one outlet.

Representative Don Smith moved that legislation to change the one outlet provision for farm wineries to three outlets be introduced. Representative Lane made a second to the motion, which passed by a voice vote.

Representative Sebelius reminded the Committee that the next day's meeting would be a joint hearing with the Senate Federal and State Affairs Committee at 1:00 p.m. in the Old Supreme Court Room, 313-S, regarding Indian Gaming Issues. Chair Sebelius also mentioned that she had requested staff to prepare information for the Committee on federal mandates, especially in regards to how much of the budget is spent on federal mandates. She also announced that this Committee would probably be meeting four days a week.

Chair Sebelius introduced Ralph Decker to give an overview of the Kansas Lottery. Mr. Decker passed out to the Committee information on the current status of the Lottery and projections for 1993, Attachment #1.

Comments from Committee members and Mr. Decker:

- The Lottery is not recession proof, but Kansas is not experiencing the drop off that the rest of the nation is.
- Will tighter regulations on the Lottery restrict casino gambling? Will the Sunset provision give time to solve Indian Gaming? Does the Lottery continue to run until 1993?
- Can video lottery be included in the tight definition of Lottery without getting into Indian Gaming?
- The Lottery spends 11.4% of it's budget on administrative costs.
- The LIDA Advertising Corporation, Bob Lida, Owner, Wichita, does the advertising for the Lottery.
- How can a budget for education be built on an industry that cannot be depended on?
- The Lottery is a service industry in that it supplies entertainment.
- Is there a fixed pool of gamblers, and will new games harm that fixed pool?
- Mr. Decker will provide the Committee members with a copy of the Lottery's demographic study.

Chair Sebelius adjourned the meeting.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE 1-15-92

(PLEASE PRINT)

NAME	ADDRESS	WHO YOU REPRESENT
Pa. Richard Joylon 1114 N. 24th St	Topeka Topeka	Life at Old Best observer
Laura McClure	Glen Elder	self
Derieth L. Sutton	Topeka, KS	Kansas Lottery
Sharon Huffman	Topeka	KS Commission on Disability Concerns
Jim Byers	Topeka	Sunflower
Nick Roach	Topeka	Self
Rep Dan Pope	Emmett	Self
Rep Joann Lawer	Oskaloosa	Self
Rep Mel Winters	Stafford	Self
James Ritchie	Topeka	Self
Charles A. Frank	Topeka	Self
Don Barnes	TOPEKA	SELF
Michelle Lester	Topeka	Ks. Gov. Consulting
George Wenzert	Topeka	Gov.
Patrick Shirley	Topeka -	Myself / USA / GTECH
John Bottenberg	Topeka	? couldn't read his badge

GAME TOTALS for JANUARY 10, 1992 5:01

GM NB	GAME NAME	NUMBER TICKETS	STORED	OUTSTAND	PERCENT SOLD	PRIZE PERCENTAGE
1	UP AND AWAY	27,360,000	2,575,200	24,358,652	0.890	45
2	MATCH 3	19,786,500	3,000,906	16,377,056	0.820	42.59
3	KANSAS CASH	17,306,700	4,743,889	12,463,203	0.720	40.12
4	KANSAS TREASURES	17,593,800	9,245,897	8,133,614	0.460	41.05
5	TIC-TAC-TOE	9,422,100	3,224,449	6,094,831	0.640	42.20
6	DOUBLE DOLLARS	7,914,300	2,195,059	5,624,429	0.710	39.78
7	HOME TOWN CASH	8,871,600	2,619,037	6,192,197	0.690	44.75
8	INSTANT DOUGH	12,603,600	6,532,804	6,007,016	0.470	44.92
9	BONANZA BONUS	10,409,700	1,799,694	8,580,105	0.820	44.58
10	JOKER'S WILD	5,396,400	1,184,303	4,185,568	0.770	40.55
11	THE BONANZA GAME	10,514,100	6,567,738	3,893,028	0.370	42.74
12	LICENSE TO WIN	8,506,200	6,103,552	2,343,357	0.270	38.61
13	BLACK JACK	5,340,300	574,380	4,731,305	0.880	48.01
14	THE MONEY GAME	6,336,000	3,033,897	3,261,706	0.510	48.15
15	LUCKY NUMBERS	6,323,700	2,896,042	3,400,226	0.530	47.45
16	INSTANT CELEBRATION	2,651,400	259,741	2,370,397	0.890	48.17
17	HOLIDAY CASH	2,497,500	168,958	2,320,404	0.920	60.67
18	MONEY TREE	5,275,500	2,871,439	2,382,090	0.450	45.15
19	SUPER 7'S	5,436,600	2,494,380	2,929,103	0.530	44.83
20	JOKER'S WILD II	4,415,400	2,376,734	2,019,625	0.450	42.77
21	GRAND SLAM	3,920,700	2,119,961	1,785,564	0.450	41.38
22	SOLID GOLD	4,406,100	1,139,044	3,255,745	0.730	51.33
23	QUICK SILVER	3,494,700	239,580	3,242,153	0.920	48.8
24	BLACK JACK	3,682,500	646,930	3,018,251	0.810	48
25	HIGH ROLLER	3,687,300	545,711	3,128,026	0.840	48.18
26	DOUBLE DOLLARS	3,095,100	93,551	2,996,862	0.960	47.91
27	HOLIDAY BONUS	3,072,900	117,605	2,945,852	0.950	60.67
28	BINGO	3,775,200	1,142,695	2,621,562	0.690	46.43
29	COLD CASH	3,817,500	901,561	2,903,039	0.760	48.24
30	JACKPOT	3,762,900	641,125	3,115,377	0.820	50.44
31	TIC TAC TOE	3,816,600	1,208,445	2,593,256	0.670	48
32	TREASURE ISLAND	3,635,700	1,111,306	2,506,465	0.680	49.78
33	HIGH CARD	3,744,600	1,117,992	2,614,741	0.690	50.19
34	CASH CROP	3,777,600	44,444	3,727,191	0.980	56.67
35	QUICK CHANGE	3,800,100	194,059	3,597,624	0.940	50.55
36	CASINO	3,728,400	355,062	3,366,115	0.900	51.48
37	\$100,000 BIRTHDAY GAM	3,828,600	12,109	3,813,075	0.990	52.92
38	HOLIDAY DOUBLER	3,142,500	1,600	3,138,696	0.990	60
43	3 OF A KIND	3,870,600	1,710,802	2,156,738	0.550	52.59

House Federal State Affairs
 January 15, 1992
 Attachment #1

KANSAS LOTTERY

To Date Activity 12/31/91

Net Sales

FY 88	\$65,804,532
FY 89	68,188,022
FY 90	64,530,640
FY 91	70,340,632
FY 92	<u>38,217,289</u>
To Date Total	\$307,081,115

Retailer Commissions

FY 88	\$3,618,110
FY 89	3,602,985
FY 90	3,318,244
FY 91	3,665,904
FY 92	<u>2,022,645</u>
To Date Total	\$16,227,888

Game Prizes

FY 88	\$30,123,006
FY 89	33,755,427
FY 90	28,941,942
FY 91	33,048,686
FY 92	<u>18,149,914</u>
To Date Total	\$144,018,975

Transfers To State

FY 88 *	\$11,343,321
FY 89	24,500,950
FY 90	19,259,917
FY 91	21,096,425
FY 92	<u>11,465,187</u>
To Date Total	\$87,665,800

* Includes \$2,843,321 Loan & Interest Payback

FY 91 & 92 UNAUDITED

Projected Sales & Transfers

Through Fiscal Year 1992

Sales	\$343,863,826
Transfers	98,700,614

HFSSA
1-15-92
#1-2

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HFBSA
1-15-92
#1-3

Kansas Lottery Winner Update
December 31, 1991

	#Winners	\$ Amount WON
Instant/Pull-Tabs	38,722,573	89,061,918
Online	1,282,478	58,096,253
	-----	-----
	40,005,051	147,158,171
Lotto*America	8	90,420,000
	-----	-----
Total Won in Kansas	40,005,059	\$237,578,171

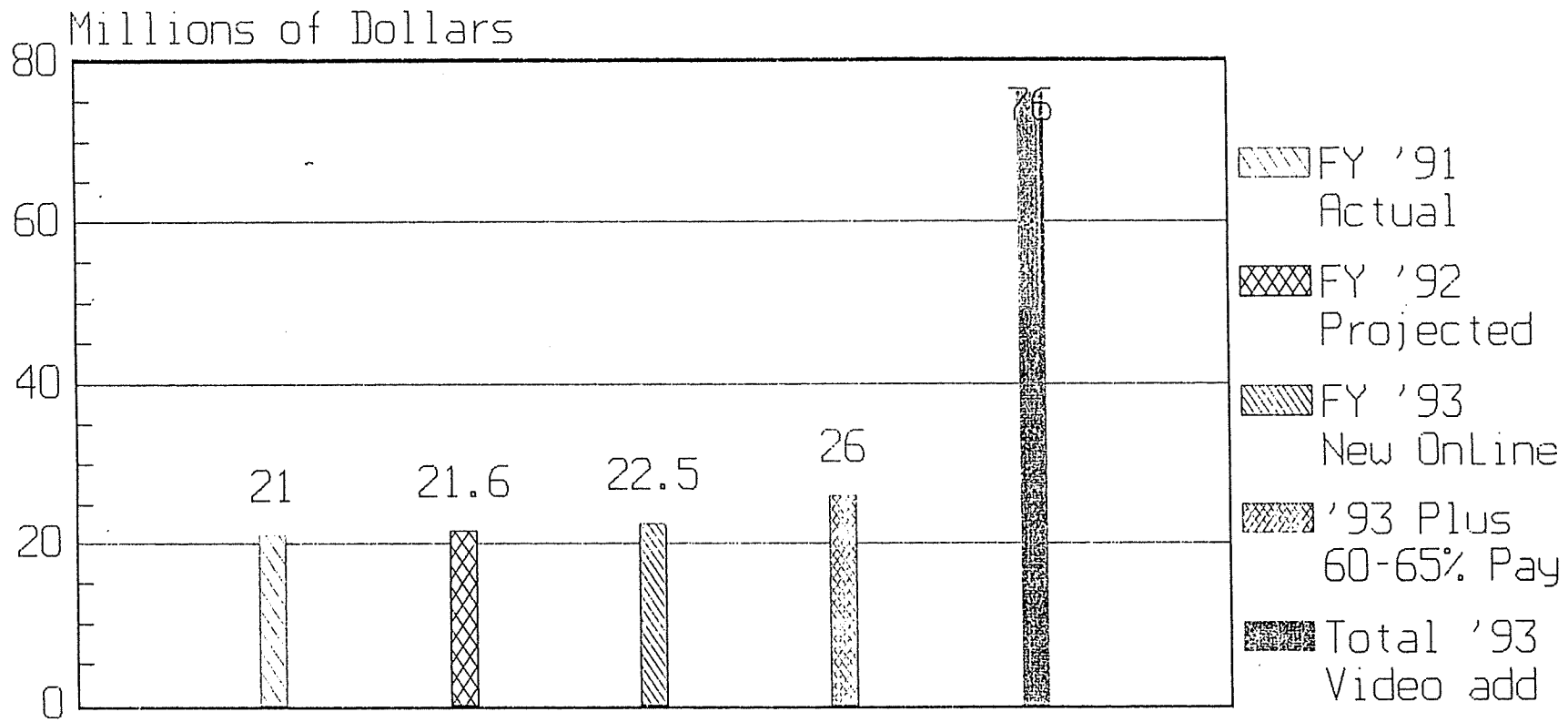
Average:

Annual	10,001,265	59,394,543
Monthly	833,439	4,949,545
Weekly	208,360	1,237,386
Daily	29,766	176,769

HF 35A
1-15-92
#1-4

11/15/92
#1-5

Lottery Projected PAYMENTS To the STATE
with varying game enhancements:
1. Fix Keno, add Pick-3. 2. Increase Inst.
Payouts to 60-65%. 3. Add Video Lottery.



STATE INCOME from the LOTTERY